

**U.S. DEPARTMENT OF COMMERCE
National Telecommunications & Information Administration**

Evaluation of the
Telecommunications and Information Infrastructure Assistance Program

Case Study Report

**SmartCities™
94059**

Kansas City, Missouri

Report Revised: August 31, 1999

Site Visitors: John Lockwood and Debra Prescott

Dates of Visit: April 6-7, 1998

PREFACE

On behalf of the National Telecommunications and Information (NTIA), I am pleased to share the following report that is one of a series of case studies conducted on grants awarded by the Telecommunications and Information Infrastructure Assistance Program (TIIAP) in 1994 and 1995. The case studies are part of the program's evaluation effort designed to gain knowledge about the effects and lessons of TIIAP-funded projects. NTIA contracted Westat, a research and consulting firm, to perform an independent evaluation of the program's first two years of grants. The evaluation consisted of a mail survey of 206 grant recipient organizations and in-depth case studies of selected projects. In February, 1999, the Commerce Department released Westat's evaluation report.

The projects selected for the case studies cover a broad range of program types and sizes, planning grants as well as demonstration grants, and they show varying degrees of implementation, sustainability, and replication. Westat selected the projects to represent a cross-section of all projects funded in the program's first two years. Specific selection criteria included geographic region, target population, project application area, project category, and size of award. To conduct each case study, Westat reviewed all project files, including progress reports and the final report, and conducted site visits. The site visits consisted of project demonstrations and interviews with project staff, representatives of partner organizations, and project end users.

NTIA thanks the case study participants for their time and their willingness to share not only their successes but their difficulties, too. Most of all, we applaud their pioneering efforts to bring the benefits of advanced telecommunications and information technologies to communities in need. We are excited about the case studies and lessons they contain. It is through the dissemination of these lessons that we extend the benefits of TIIAP-funded projects nationwide.

We hope you find this case study report valuable and encourage you to read other TIIAP case studies. You may obtain additional case studies and other TIIAP publications, including the final Westat evaluation report, through the NTIA web site (www.ntia.doc.gov), or by calling the TIIAP office at (202) 482-2048. We also are interested in your feedback. If you have comments on this case study or suggestions on how TIIAP can better provide information on the results and lessons of its grants, please contact Francine E. Jefferson, Ph.D. at (202) 482-2048 or by email at fjefferson@ntia.doc.gov.

Larry Irving

Assistant Secretary for Communications and Information

TIAP CASE STUDY

Kansas City Area Development Council: SmartCities™

EXECUTIVE SUMMARY

The purpose of this 1-year planning grant to the Kansas City Area Development Council (KCADC) was to develop a plan for economic development for the 14-county, two state Kansas City metro area. KCADC is a not-for-profit economic development organization that seeks to stimulate area economic development and create new jobs in the region. One interesting aspect of this grant was that the final project and the one proposed were quite dissimilar. As stated in the final report, “instead of recruiting and building a new organization, we chose to accomplish our mission by working with and through existing organizations.” Thus, KCADC’s role became facilitating partnerships, and it did not publish and distribute a planning document as proposed. Their strategy was to be an idea catalyst for other organizations and act as a consultant. This strategy, according to the project director, “has helped to cover much more ground than otherwise could have been possible or affordable.”

Since the greater Kansas City area had a tremendous amount of fiberoptic cable already laid at the inception of the grant, the project determined that it should work on expanding the applications of the telecommunications infrastructure. To do this, the KCADC needed to broker partnerships through meetings, demonstrations, and increasing the visibility of the infrastructure in the Kansas City area. KCADC performed these activities both during and after the grant period. In order to improve the efficiency of their strategy, the project staff developed a marketing concept called SmartCities™. The marketing campaign sought to illustrate that Kansas City was “the best place to do business electronically.”

In addition to its marketing efforts, KCADC also focused on accelerating availability of broadband ISDN and generating wide spread use through the development of applications. Southwestern Bell was initially resistant to deploying ISDN, but KCADC demonstrated the community’s need for the technology. By organizing a videoconferencing demonstration, KCADC convinced Southwestern Bell to accelerate its plans for deploying ISDN in the area. The videoconferencing demonstration also showed businesses the telecommunications capability of the Kansas City area and began to educate them about the benefits of the technology. The synergy of the demonstration and marketing activities, which constituted the major portion of the project's planning phase, enabled the project staff to develop programs after the grant period.

The bulk of the grant’s impact has been seen since the end of the TIAP grant period. Through the KCADC’s partners, the project began to take shape as a comprehensive attempt to re-train the area’s unemployed. The local community college, Metropolitan Community College (MCC), learned that there were over 40,000 employees serving 21 major companies in the call center field. These customer service call centers employ people to answer calls that come in, not those that employ telemarketers who make solicitation calls. The partners recognized that this was an area of opportunity and began to develop a training program that would meet the needs of employers engaged in this type of work. Subsequently, the partners developed a customer service call training center at MCC to provide hands-on education in this growing area -- the center opened in August 1996. KCADC subsequently approached Sprint to develop a call center in the downtown area, where jobs were needed, using the graduates of the MCC program. In

July 1997, Sprint announced plans to open a call center in the 18th and Vine District (the heart of the inner city).

Although there was no evaluation of the project performed, dissemination was substantial. The project's achievements were disseminated through its website's (<http://www.smartkc.com>) quarterly newsletters to partners, and the SmartCities™ promotional campaign. In addition, there have been numerous flyers, presentations to businesses, and a variety of printed material (such as newspaper articles) that disseminated information about KCADC programs. To date, the project staff have received and responded to hundreds of inquiries and accepted dozens of invitations to appear as a speaker to discuss the project. They estimate that the grant has resulted in "well over 38 million exposures."

Lessons learned from the planning grant phase include the following.

- Partnerships are essential.
- Share the credit.
- Good communication is important.
- Develop a strategy and a media plan.
- Be flexible.
- Be focused.
- Do not own, manage, or operate anything.
- Be innovative in applications development.
- Know what your capabilities are.
- Register URLs like a trademark.

Future plans for the KCADC include bringing more new businesses to the area, working to get more businesses to located in the inner city, and finding solutions to the transportation and childcare problems that hamper higher participation in their programs. In short, KCADC is continuing its economic development mission by riding the momentum that was enabled by the TIIAP grant and its other projects.

OVERVIEW

Purpose and General Approach

The purpose of this one year planning grant was to develop a plan for economic development for the 14-county, two-state Kansas City metro area. The commercial development of the urban metropolis was to be achieved through developing the telecommunications infrastructure in terms of capacity (placement of broadband ISDN lines) and applications development. The first step in the planning grant was a trip to Singapore, which then was heralded as the most technologically sophisticated city in the world. The project staff discovered during their trip that the key to the city's success was not their infrastructure, but the applications they developed for that infrastructure. Therefore, after this initial stage of the planning

effort, the applications aspect of planning became as important as the expansion of the already substantial technological infrastructure. One such application, developed as a result of the grant, was the Welfare to Work initiative that trains the unemployed for positions in the expanding call center job market. The call centers in the area are a result of KCADC's and its partners' efforts to establish customer-service-oriented call centers, rather than telemarketing centers.

Description of Grant Recipient and Project Partners

Grant Recipient. The grant recipient was the Kansas City Area Development Council (KCADC). KCADC is a not-for-profit economic development organization that has responsibility for coordinating economic development activities in the greater Kansas City area. The organization's purpose is to create new jobs in the region, and to achieve this goal they have developed a marketing concept called SmartCities™. This concept draws attention to the location and telecommunications capabilities of the metro area through their slogan "the best place to do business electronically."

Under the SmartCities™ banner, the KCADC works to attract new business to the greater Kansas City area. According to its website, the organization and its partners of area city, county, and corporate leaders strive to:

- Promote the area as a business location of choice to national and international firms;
- Position the area competitively against other major cities to ensure that the Kansas City area is a final contender for top projects;
- Equally represent all communities within the metro area;
- Help companies from outside the region find the location best suited to their needs; and
- Facilitate final negotiations between the company and selected community.

Since 1976, KCADC and its partners have directly assisted nearly 400 companies and organizations in selecting the Kansas City area as a site for new or expanded facilities. These firms have created more than 45,000 jobs and have utilized more than 15 million square feet of space. Recent successes include bringing in John Deere, Aerial Communications, and TSI (a call center business).

Project Partners

During the Planning Phase. The planning phase sought to develop partnerships with a variety of corporations. During the demonstration of ISDN, both Intel and Southwestern Bell worked with KCADC. Intel loaned 30 video-conferencing units for the demonstration, while Southwestern Bell installed broadband ISDN in a limited area.

After the End of the Grant

The Local Investment Commission (LINC). The Local Investment Commission is a citizen-driven community collaborative. Through LINC, the State of Missouri works with citizens, businesses, and community leaders to improve the lives of people in the Kansas City area. LINC is involved in initiatives

to provide employment to those on welfare, create new businesses in the central city, and improve the delivery of human services. A 36-member citizen commission, created in November 1992, directs the efforts, and a professional cabinet that meets with the commission provides professional advice and support. More than 300 volunteers are involved with LINC, including professionals, community leaders, and citizens. Its areas of concentration include children and families, aging, health care, housing, school-linked services, welfare reform, and business development.

Full Employment Council (FEC). The Full Employment Council is a business-led nonprofit corporation that strives to obtain private sector employment for the unemployed and underemployed residents in the Kansas City area. The FEC works in collaboration with businesses, local government, educational institutions, as well as labor and community-based organizations. This partnership responds to employer needs while reducing unemployment, underemployment, and the public dependency of area residents.

The Ewing Marion Kauffman Foundation. The Kauffman Foundation is an operating and grant-making foundation that works toward the vision of self-sufficient people in healthy communities. Its mission is to research and identify the unfulfilled needs of society and to develop, implement, or fund solutions that have a lasting impact and offer people a choice and hope for the future. The Kauffman Foundation's work is focused on two areas: youth development and entrepreneurial leadership.

The Youth Development Division works to create a network of support for children, their families, and their communities. The goal is to help youth become responsible and productive members of society. Youth development focuses its efforts in three areas: (1) early childhood development and family support initiatives, (2) strategies designed to create effective schools and increase the capacity and services of youth-serving agencies, and (3) school-to-career opportunities and targeted strategies to create healthy communities.

The Kauffman Center for Entrepreneurial Leadership promotes the growth of entrepreneurship in America. The Center's Entrepreneur Training Institute sponsors education, training, and research initiatives targeted to the needs of adult entrepreneurs. Through the Institute for Entrepreneurship Education, a variety of experience-based education efforts work to encourage entrepreneurial spirit in students from kindergarten through community college. The Public Sector and Community Entrepreneurship segment focuses on entrepreneurship in the nonprofit sector, public policy issues related to entrepreneurship, and the community infrastructure that supports entrepreneurs.

Metropolitan Community College (MCC). MCC offers over 70 career or transfer degree programs for nearly 17,000 students across five campuses and the Business and Technology Center. MCC is the largest educational institution in the greater Kansas City area. The Business and Technology Center offers business training and technical services. The facility that houses the center contains state-of-the-art labs to support its programs. One such program is call center training.

The call center training program provides intensive instruction in telephone skills, communication skills, PC skills, keyboarding, critical thinking, team building, and business etiquette. Training modules teach telephone skills, interpersonal skills, active listening, understanding customers, team building, dealing with difficult people, managing change, managing stress, and coaching skills.

Corporate Partners. The corporate partners of the KCADC continued to grow after the termination of the grant. Examples of partners that have contributed to the implementation of KCADC's TIIAP-related projects include AT&T (donated an automatic call distributor), Gateway 2000 (donated computers), and Sprint (opened a call center in the central city).

Project Costs

The planning grant expenditures totaled \$746,600. KCADC provided \$145,250 (19.5 percent of the total), their partners contributed \$351,350 (47 percent of the total), and the TIIAP program granted \$250,000 (33.5 percent of the total).

PROJECT CONTEXT

Community Description

Kansas City is unique for a number of reasons. Traditionally, one of the elements that has set Kansas City apart from many other urban centers is its affiliation with wheat.¹ The area's location in the geographic center of the nation led to its growth as an agricultural center. Similarly, this location has made it a desirable location for many telecommunication companies. Kansas City was the headquarters for AT&T at one time, and at the start of the grant, both Sprint and Southwestern Bell had headquarters in the area. Thus, the area has enjoyed a pivotal position for both agrarian and technological industry. The greater Kansas City area encompasses two states, 14 counties, and over 1.8 million residents. The area includes 74 school districts with 641 schools; over three-quarters (82 percent) of residents are high school graduates, and nearly a quarter (23.3 percent) are college graduates.

Status of the Telecommunications/Information Infrastructure Environment Prior to the TIIAP Project

The greater Kansas City metropolitan area had a tremendous amount of fiberoptic cable already laid at the inception of the grant. At that time, enough cable was laid to service the 20 percent of the customers that generated 80 percent of the telecommunications business. Kansas City already had a highly developed infrastructure, but it was mostly used for narrowband applications. In 1994, they still did not have the broadband ISDN capabilities needed for high-speed telecommunications and technology such as videoconferencing.

PROJECT IMPLEMENTATION

Activities/Milestones that Occurred Prior to the TIIAP Grant Period

The project director came to the KCADC on loan from AT&T. He has a background in the application of technology, and it was this expertise that the KCADC needed. At the time the project director began working with the KCADC, they were looking for a way to differentiate Kansas City from the rest of the country, in order to bring in new businesses that would provide jobs and economic impetus. In 1994, Singapore was lauded as having a highly developed telecommunications infrastructure and consequently an attractive place to do business. The project director was intrigued by this and arranged to visit the Asian metropolis to take a closer look at their technology infrastructure. While there he was struck by how similar the infrastructure was to what was available in Kansas City. One difference, however, was that Singapore's infrastructure included value-added networks that handled specific applications (e.g., electronic funds transfer, harbor traffic and inventory control, and video-based communications). It was this feature that demonstrated that "it's the applications that are important, not the wires." Subsequently,

¹ In 1873, Kansas's wheat production was only 4.5 million bushels of primarily soft wheat. But in that year, some Mennonite colonists introduced Turkey hard red winter wheat seed from Southern Russia. By 1880, Kansas harvested 25 million bushels and by 1892, nearly 75 million bushels. In 1990, wheat production reached a record 470 million bushels.

upon his return, the goal of KCADC was to become the best city in the country to do business electronically by creating applications for the established infrastructure.

Activities/Milestones that Occurred During the TIIAP Grant Period

At the time the grant was received, web browsers were beginning to become available. To engage the community in what the Internet offered, the KCADC launched their own website in December 1994. The local newspaper, the *Kansas City Star*, was developing a proprietary legacy system that would not be on the Internet. KCADC met with them several times and persuaded them to disseminate information using the Internet. Subsequently, KCADC helped the *Star* launch its website in exchange for being listed as an affiliate on the site. The partnership that developed extended to the project's other partners as well. For example, when the Kansas City Chamber of Commerce was interested in getting on the Internet, the *Star* agreed to host web pages for any Chamber member because of the Chamber's strong ties to KCADC. The *Kansas City Star* covered the cost of hosting the pages by selling ad space.

At the same time, KCADC also focused on accelerating availability of ISDN and generating widespread use through the development of applications. Southwestern Bell, which was planning on implementing ISDN but not for some time to come, was initially resistant to deploying ISDN in the Kansas City area when approached by the Council. KCADC demonstrated the public need for the technology by organizing a hearing where 15 people, including the Chamber of Commerce President, the Kansas City, Missouri Mayor, and other officials, testified before the Missouri Public Service Commission. Southwestern Bell attended the hearing and agreed to deploy ISDN, but in only one downtown central office. The Council continued negotiating with Southwestern Bell and by agreeing to help them launch ISDN, KCADC was able to get a commitment from them to deploy the technology in a more expedited timeframe with wide-scale availability.

KCADC continued to work to promote technology through a partnership with Intel and Southwestern Bell. This partnership developed a videoconferencing demonstration for community investors and partners. Intel loaned 30 videoconferencing units at a cost of \$2,000 each, and Southwestern Bell waived the initial connection charges after installing ISDN. Twenty-nine businesses purchased computers that would support the device. The units were installed on the desktops of the business leaders, and in February 1995, they were linked via desktop videoconferencing network using the new ISDN lines.

The videoconferencing demonstration showed how selling business on locating in the Kansas City area could be better facilitated through this type of technology. Prospective businesses visiting the area would normally come to Kansas City to learn about the area. Once in the area they would receive formal presentations and also meet with people in business, real estate, local government, and the Chambers of Commerce. Since a great deal of time was spent traveling from one meeting to another, the demonstration showed how travel time could be eliminated and got people in the business community excited about the possibilities of the technology. Although the use of the videoconferencing network was limited, the demonstration was still persuasive. According to the project director, "the hype was more important than the application itself." That is, it got people thinking about the possibilities of expanding the infrastructure and the applications for the new network. The demonstration seemed to be quite successful. In July 1995, Southwestern Bell deployed ISDN service throughout the metro Kansas City area – 2 years ahead of schedule. Eighteen area mayors proclaimed July 25, 1995, "SmartCities™ ISDN Day."

The TIIAP grant accomplished more than expanding the infrastructure already in place at the time of the grant: The KCADC persuaded the community and businesses around the country that Kansas City had a good environment to conduct business operations. As a first step in this process, KCADC, along with other economic development partners, worked with an advertising agency to create a name for the effort.

The geographic location of the Kansas City area and its infrastructure were both aspects the group thought made Kansas City stand out as an intelligent place for businesses to locate. So the group trademarked the name SmartCities™ to use in promotional materials about the area. The Smart Concept has guided much of their promotional platform. Other names the group trademarked include SmartNeighborhood™, SmartWorkforce™, SmartTechnology™, SmartCity™, SmartValue™, SmartLocation™, and SmartKids™.

The project director indicated that many partners were beginning to wonder why they were giving money to participate in the planning effort. The planning phase of any endeavor can be time consuming and costly. Unlike other phases of projects where results might be more tangible, planning lays the foundation for future successes. By trademarking a name and designing a whole series of promotional materials around that name, KCADC was demonstrating the value-added dimension of their economic development efforts. Area partners could see tangible results of their contributions to the effort and, more importantly, KCADC had a common theme to tie all promotional materials together.

Another startup activity included meeting with officials from area governments to educate them about the benefits of the Internet. KCADC offered city governments free hosting of zoning ordinances on the project's website. Many communities did not understand how making this information available online would be beneficial. They did not consider, for example, the potential cost savings of posting the information on the web compared to the expense of responding to each individual inquiry. However, several cities in the greater Kansas City area provided flat files of the zoning ordinances that could be read on the Internet. By the fall of 1995, six of the larger communities in the area had placed their zoning ordinances online. This service offered a new way for businesses interested in relocating to the area to gather basic zoning information.

Another outgrowth of the grant was the Knowledge Worker Cluster (KWC) concept. The concept's goals were to (1) create new, higher paying jobs in rural and inner-city areas of Kansas City, (2) expand the qualified labor pool, and (3) build the area's infrastructure to foster new services and the rise of entrepreneurial businesses. The KWC concept specifically intended to use ISDN along with other telecommunications technologies to move jobs to economically depressed areas. The initial target for this concept was the call center segment of the service industry. At the close of the grant period, KCADC was embarking on a plan to link this application with efforts by the Local Investment Commission (LINC) and other agencies to make training available to members of disadvantaged populations. The results of this application will be discussed in a later section.

Steps Taken to Sustain Project Activities Beyond the TIIAP Grant

The KCADC has continually searched for and obtained funds from businesses, associations, and foundations to continue the mission of developing technology applications, encouraging the development of the telecommunications infrastructure, and disseminating information about the project.

Activities/Milestones that Occurred Following the TIIAP Grant Period

Since the TIIAP grant, two of the main focal areas have been economic development and the Knowledge Worker Clusters. Economic development has focused on bringing new businesses to the Kansas City region by promoting the area as "the best place to do business electronically," while the KWC concept has concentrated on bringing jobs to the urban core of Kansas City. Because the mission of Metropolitan Community College was to meet the needs of the community, both residents and businesses, the president of the college suggested that in order to bring jobs and business to the area, an examination of the primary sectors where jobs were concentrated was necessary. MCC staff learned that there were over 40,000

employees serving 21 major companies in the call center field. These customer service positions employ people to answer calls that come in, not telemarketers who make solicitation calls. MCC recognized this as a lacuna in their programs and began development of a training program that would meet the needs of employers engaged in this type of work.

MCC leaders met with staff from AT&T, Gateway 2000, ADT, and KCADC to discuss how the area's growing customer service needs could best be met. Subsequently, the partners decided to develop a customer service call training center to provide hands-on education in this growing area. MCC provided the space, Gateway 2000 donated the desktop computers, and AT&T contributed a \$300,000 64 position automatic call distributor for the center. Before opening the center in August 1996, MCC staff talked with several employers in the customer service sector to see how they would design a call center. They also met with experts in industry to develop curriculum materials appropriate for such training. In addition, they looked at jobs to determine what a customer service representative does. They tried to identify the knowledge, skills, abilities, and aptitudes necessary to be a successful customer service representative. This process led to the development of an assessment tool for prospective students in the program.

All prospective students at MCC's Business and Technology Center complete 4 hours of paper, video, and other industry-based tests. Tests for other industry careers are also administered to ensure that students will enter a program suited to their abilities and interests. For example, an individual may apply for the customer service program because the job placement rate and earnings potential look good without giving thought to the skills necessary to be successful. Testing and counseling may show that the individual has skills well suited for the machine tool program, or that the individual might benefit by taking some remedial courses before entering the program. MCC reported that approximately 45 percent of the people who apply for the program do not score high enough to qualify for call center training. Since many of the individuals who do not qualify for a seat at the center do not have a GED or high school diploma, the college recommends that these individuals enroll in adult education before reapplying. While the college does not require that they have at least a high school degree or its equivalent, many of the employers who recruit from the training program do.

MCC reported that 90 percent of students who enroll in the call center program complete the training. The administration attributes this to the careful assessment conducted prior to admission. By only admitting students with appropriate skills and aptitudes, MCC thinks that students are less likely to drop out of the program because they are frustrated or otherwise unhappy.

The call center training program curriculum includes:

- Reasoning and problem solving skills,
- Math skills,
- Trainer observation,
- Computer/PC skills,
- Communication skills,
- Teambuilding skills, and
- Business etiquette.

The call center training program was instrumental in beginning work in the Knowledge Worker Clusters. The training at the call center seemed an ideal way to bridge the gap between public assistance and self-sufficiency. MCC began working with the Local Investment Commission (LINC) and the Full Employment Council (FEC) to provide training for individuals either unemployed or underemployed. Both LINC and FEC referred clients to MCC for call center training, and businesses like Sprint began recruiting from call center graduates. Once individuals completed the training program, they could be interviewed by Sprint for possible placement at a call center in the Kansas City area. Once hired, Sprint provided additional training to orient new recruits. New hires generally completed about 14 days of additional training, including one week of mentoring. Mentors worked closely with new recruits to build their confidence level and conduct quality checks to determine what level of service they were providing the customer.

Throughout the development of the training program, individuals on public assistance were being targeted for job training. Many of these people were located in the inner city. Historically, transportation and childcare issues were barriers for these workers to keep their jobs. Public transportation was not sufficiently developed in the inner city to facilitate moving residents to jobs in the suburbs within reasonable amounts of time. Even if workers could travel to the suburbs, those areas of Kansas City had reached full employment. The project director stated that the emphasis for employment development in inner-city areas began to change from moving the worker to moving the workplace. Such a move would mitigate, in part, the problems related to transportation and childcare.

Recognizing that there was a dearth of businesses in the inner city, KCADC began looking for businesses to locate to that area. They were careful to consider only those employers who would offer fair wages and benefits, along with growth potential. KCADC approached Sprint, who already had call centers in the suburban areas of Kansas City and was recruiting students who completed the call center training at MCC. In July 1997, Sprint announced plans to open a call center in the 18th and Vine historic district of Kansas City. The 18th and Vine area was a vital center of African American business and jazz music up to the 1960s, when the area began to decline.

Prior to opening the center, recruits went through training at another Sprint call center operation in the area. Sprint thought it would be valuable for new recruits to get experience at an operational call center, before moving to the new center. They also brought veteran employees in to serve as role models and help convey the corporate culture of Sprint. As training was held in a suburban location, it would have been difficult for employees to arrange transportation. The Full Employment Council (FEC) provided transportation to and from training until the 18th and Vine Center opened on November 12, 1997. The "18th and Vine Satellite Call Center" occupies 4,000 square feet and was initially designed to house 60 customer service agents, supervisors, and managers. Workers at the center help process long distance calls throughout the country. Sprint's goal was to hire at least two-thirds of the employees from the inner city, particularly the 18th and Vine area, but greatly exceeded this goal (90 percent). According to a front-page article on the Sprint Call Center in the *Washington Post*, 6 months after opening its doors, 85 percent of former welfare employees remained on the job, compared with just 33 percent of suburban recruits.²

Issues

- **Transportation** is a major issue because most jobs are located in the suburbs, and those areas with high levels of unemployment are in the urban center. Residents of the inner city

² Judith Havemann and Barbara Vobejda, "Triumph and Trials in Welfare to Work: Sprint has Success; Path Still Difficult." *Washington Post*, May 27, 1998, p. A1 and A10.

rarely have access to cars and the public transportation infrastructure is not adequately developed to facilitate getting to work in a reasonable amount of time. By opening a call center operation in the inner city, it was possible for more people to retain jobs.

- **Childcare** was another barrier frequently cited by project partners. In order to return to work, people must have childcare options that are affordable and reliable. Most call center environments are operational 24 hours a day, 7 days a week, and it can be difficult to arrange childcare during night shifts. LINC is working on developing a database of childcare resources that they can provide for their clients. Currently, Sprint employees at the 18th and Vine Center rely on informal childcare arrangements with relatives and neighbors in the community.
- **Paying for assessments** was another area that was somewhat problematic. The State of Missouri will pay for training, if applicants have an aptitude for a particular field. In order to receive reimbursement for training, the State of Missouri requires an assessment be conducted to ensure the client can succeed. Before money from the State could be applied, LINC had to invest \$200 per applicant to have MCC assess the readiness of clients for training programs. LINC worked with MCC to waive the assessment fee for those clients they referred.
- **Job readiness** was an issue for some graduates of the MCC training program. Through feedback from employers, MCC found that the basic call center training was not always enough to ready someone for a permanent position in the industry. Once clients have completed training and are placed in a job, a case manager works with the client and employer for 90 days to keep the client employed. Sometimes however, there was a large gap between where trainees were and where they needed to be in order to be placed in a customer service position. These individuals completed the program and showed potential, but instructors were not comfortable sending them directly to a job site. To remedy this problem, MCC came up with a plan for a Supportive Work Center that would provide additional training for those students who were not quite ready to begin a job in the field. To implement the Supportive Work Center concept, additional funding was needed. KCADC helped MCC write a proposal that was submitted to the Ewing Marion Kauffman Foundation requesting funding for the Center. The Kauffman Foundation awarded MCC \$289,000 over 18 months to open the Center and bridge the gap between training and employment. The Foundation assumes full funding of the Supportive Work Center for the duration of the grant.

Unlike the Customer Service Representative training program, training offered through the Supportive Work Center is geared to meet the individual student's needs. Students are able to work at their own pace for 2-4 weeks with counselors. There is a ratio of about five students to each counselor. Because training in the center is customized for each student, they are able to work on both technical and soft skills. Some students may just need to improve keyboarding skills, while others may need to learn how employers will expect them to behave in the workplace. Soft skills that the center might work on with students include promptness, workplace rage, appropriate behavior and dress in the workplace, conflict resolution, communication skills, and personal hygiene skills. Eventually, funding will come from contracts with businesses that use the Center. An important feature of the program is that after job placement occurs, employers know they can send recruits back to the Supportive Work Center if they think additional training is needed.

Problems

- **Accelerating availability of ISDN.** One of the biggest problems the project encountered was that ISDN was not available in the Kansas City area. Since Southwestern Bell was initially resistant to deploying the technology, KCADC had to work to get them to reconsider their decision. By organizing a movement for an improved infrastructure, in part because of video-conferencing technology, KCADC was able to begin demonstrating the need for ISDN in the area. Without ISDN, the group would not have been able to efficiently run videoconferencing networks and provide the impetus for attracting businesses to the area.
- **Achieving Buy-In.** KCADC found that civic and business leaders in the area were skeptical about the benefits of technology. Since leaders prefer to adopt technology after it has been thoroughly tested, new technologies are not usually quickly embraced. Thus, KCADC had to build on the common goal that all potential partners had for the area to grow economically. They worked to ensure that all activities they undertook would be tied to economic development.
- **Structuring a Website.** The KCADC website initially contained links to the sites of partners who had websites. Since anyone activating a link would leave the KCADC site and be taken to the partner's homepage, KCADC found that they were losing a tremendous volume of traffic. To remedy the problem, hyperlinks are now tied to 150-word profiles about the partners. Links to the partners who have websites are included on the profile pages. Although people can still leave the SmartCities™ website, they can easily stay within the confines of the site if they are only looking for basic information about a partner.
- **Funding Issues for Welfare Service Providers.** The Local Investment Council (LINC) had two specific funding problems associated with getting training for their clients. The first was the cost to assess clients to determine whether they were suitable for a training program offered by MCC (see the Issues section above). The second problem involved the timing of enrollment in the Business and Technology Center's training programs. MCC's timetable was designed so that after clients completed the assessment those who qualified would enroll almost immediately in a training program. However, three weeks were needed before LINC could secure funding from the State of Missouri. LINC worked with MCC to develop a timeline that accurately reflected the amount of time necessary to get approval for students to enroll in training.
- **Fear of Low Employee Retention.** A representative from Sprint indicated that what is holding back businesses from creating jobs in the inner city is the fear of low employee retention. That is, employers are hesitant to get involved in Welfare to Work because they see many obstacles that make it difficult for former welfare recipients to keep jobs. Two major hindrances that keep individuals from the urban centers from getting and keeping jobs were brought up numerous times during the site visit: transportation and childcare (see the Issues section above). However, as the *Washington Post* reported, six months after the opening of the 18th and Vine Call Center, 85 percent of the recruits from the welfare roles retained their positions.

PROJECT ACCOMPLISHMENTS AND IMPACT

Technology-Related Accomplishments

- **ISDN Deployed.** Work directly resulting from the TIIAP grant led to the deployment of ISDN 2 years earlier than planned by Southwestern Bell. In addition, Bell decided to make it available throughout the Kansas City area, rather than a "slow, serial introduction that could have taken years to accomplish" (final report). At the time ISDN was deployed, more than 1,000 lines were subscribed in the first few weeks of availability. There are now more than 2,000 installed lines and still growing because of Internet growth and the availability of ISDN Internet service providers.
- **Use of Desktop Videoconferencing Expanded.** As a result of interactive video conference between 29 business leaders and the Department of Commerce in Washington, DC, an estimated 300 units were purchased in the Kansas City area.

Impact of the Project on Direct End Users

Over 300 people have gone through training at MCC to become a call center customer service representative. Many of these individuals are from the urban core of the Kansas City area. In one case, an employee at the 18th and Vine Call Center had not worked in over six years at the time she was hired. Before assuming her position she had to complete training at a call center facility in the suburbs. During training, she had to get up at 4 a.m. to get ready and take her children to a relative's house. She would then hurry to catch a bus to the suburban training facility to be there by 8 am. Reportedly, she went to these lengths because she did not see her new job as a dead end, but rather as a start.

MCC has become a driving force in providing training that reflects the needs of area businesses. Residents interested in improving their employability now have several programs available to them through the College's Business and Technology Center. Since these programs have been designed with the needs of business in mind, businesses actively recruit from the Center's graduates.

Impact of the Project on Other Beneficiaries and/or the Overall Community

According to the project's final report:

The impact of the TIIAP project on this community, the entire 14 counties comprising the Kansas City Area Development Council service area, has been phenomenal. The study necessary to identify and define the project led to the conclusion that the development of the information infrastructure with wide spread availability and wide spread use was an economic imperative. The grant and the study work that preceded it led to the development of a comprehensive economic development strategy. This strategy has been built around the goal "to be and be known as the best place in the country to do business electronically." This goal is a direct outcome of the TIIAP project.

The impacts referred to include the increased use of the telecommunications infrastructure by the area business community and economic development for the region.

Increased Use of the Telecommunications Infrastructure by Area Businesses. Internet home pages were made available throughout the business community. Through a partnership with the *Kansas City Star*, KCADC was able to secure Internet space for the Chamber of Commerce. As part of this agreement, the *Star* agreed to support web pages of any Chamber member at no cost (for one year) through the Chamber's web site. By offering web pages to all Chamber members, Kansas City improved awareness in the business community about the applications of the Internet. This allowed area businesses to experience the benefits of Internet technology and helped facilitate project buy-in.

Economic Development. At the end of the project, KCADC reported that the Kansas City area was experiencing the lowest level of unemployment it had in several years. They attribute this to the emphasis on economic development that was facilitated by the TIIAP grant. The focus was on bringing new businesses to the area and creating jobs in the urban core, where unemployment was high, and in the northern quadrant, which was accessible to economically depressed rural communities. According to the project's final report, "because of our TIIAP project, we are knowledgeable about our infrastructure and we are more able to communicate the availability and advantages of advanced telecommunications effectively."

Impact of the Project on Grant Recipients and Project Partners

- **Kansas City Area Development Council.** The KCADC gained a great deal of visibility through the grant and as a result has been able to garner support for additional development projects.
- **Area Economic Development.** By making zoning ordinances available on the Internet, KCADC has a way to market the area to potential businesses. Online availability allows businesses to get a preliminary look at what an area has to offer quickly and easily, while minimizing the number of preliminary inquiries that have to be handled by staff. Also, by having zoning information online, the area demonstrates that it embraces technology and has the infrastructure to support it.
- **Metropolitan Community College.** The TIIAP project showed MCC an area where training was needed and allowed them to take the lead in providing educational support for call center development. MCC provides training to individuals interested in becoming customer service representatives, which serves the needs of both businesses and local welfare service providers. Because the program was designed with extensive input from industry, employers are assured that graduates received relevant training and extensive on-the-job training is not needed. Local welfare service providers now have a resource they can draw on to ready clients for paid positions in the workforce.
- **Sprint.** While Sprint already had call centers in the Kansas City area when the project began, they developed a call center in the inner city as a result of the project's work. They were pleasantly surprised at the success of the 18th and Vine operation. Retention at their suburban location had only been 20 percent, while it was 85 percent at the 18th and Vine location.

Project Goals Not Met

The final project and the one proposed were quite dissimilar due to the change of direction decided early on. As stated in the final report, "instead of recruiting and building a new organization, we chose to

accomplish our mission by working with and through existing organizations.” As stated in its proposal, the project’s objective was “to complete by 9/30/95, the design, testing, and documentation of a scalable planning prototype to promote collaborative efforts advancing the National Information Infrastructure Initiative.” This vision was accompanied by two sub-objectives:

1. Establish and facilitate formal partnerships for collaborative planning and the deployment of an advanced information infrastructure in the Kansas City region by 3/31/95; and
2. Document, publish, and nationally distribute a tested planning process that contributes to the National Information Infrastructure initiative by 9/30/95.

Although the project descriptions have thus far illustrated that KCADC has performed its role in facilitating partnerships, it did not publish and distribute a planning document. In short, although dissemination took place, sub-objective 2 was not achieved. Their strategy was to lead by example, be an idea catalyst for others, and then act as a consultant to the project and other contributing projects. This strategy, according to the project director, “has helped to cover much more ground than otherwise could have been possible or affordable.”

Impact of TIIAP Support on the Initiative

The funds granted by TIIAP gave the impetus for hiring the project director and provided increased visibility for the KCADC. These elements opened doors in a much more timely manner than would have occurred without the grant funds. The accelerated growth of the region’s infrastructure and telecommunications applications was in part due to the federal support.

EVALUATION AND DISSEMINATION

Although there was no evaluation of the project performed, dissemination was substantial. The dissemination of the project’s achievements was developed through its website’s (<http://www.smartkc.com>) quarterly newsletters to partners, and the SmartCities™ promotional campaign (it appeared in various business journals and periodicals such as the *Kansas City Business Journal*, *Expansion Management*, and *Business Week*). In addition, there have been numerous flyers, presentations to businesses, and a variety of printed material (such as newspaper articles) that disseminated information about KCADC programs. To date, the project staff has received and responded to hundreds of inquiries and accepted dozens of invitations to appear as a speaker to discuss the project. They estimate that the grant has resulted in “well over 38 million exposures” to individuals across the nation.

LESSONS LEARNED

Lessons learned extend beyond the grant period and cover three major areas: partnerships, developing Welfare to Work programs, and other lessons.

Partnerships

- **Partnerships are essential.** The partnerships developed proved invaluable to creating the grant's spinoff projects. Specifically, it was important for the project to involve civic and business leaders to generate the publicity and the interest of a large audience.
- **It is not necessary to build a special committee or organization to develop the infrastructure.** Instead, the project found that it was more beneficial and cost effective to work with existing organizations that were addressing similar issues.
- **Share the credit.** It is important to share the credit for successes with partners. Recognition is important for everyone involved.
- **Disconnect from the difficult.** Project personnel must drop negotiations with people who do not want to work with them and move on -- unless they are critical to the project's mission. It is essential to read participants' willingness early in the project.
- **Good communication is important.** A project must pull state, federal, and local decision-makers together so that everyone is informed.

Developing Welfare to Work Programs

- **Do not lower your standards.** In training or other aspects of Welfare to Work projects it is necessary not to lower standards. If skills are poor, they are of no use to anyone.
- **Assessment for team working ability is important.** No matter how high applicants score on areas other than teamwork, if they do not meet the teamwork benchmark, some companies will not consider hiring an applicant.
- **Hire experienced instructors.** Without experienced personnel to lead the training, the call center training program may not have been successful.
- **Draw on the community for support.** Although caseworkers usually refer people to training centers, they are often perceived as "wardens." KCADC found that ministers and community leaders are more influential with inner city community members because they are perceived as caring about individuals.

Other Lessons

- **Develop a strategy and a media plan.** Dissemination can be greatly benefited by a strategy and a media plan in the design of the project. Project staff strongly recommended that anyone undertaking a similar project give significant attention to this activity.
- **Be flexible.** As conditions can change considerably from the time a project is designed until it is funded and executed, project staff must be willing to evolve with the developments and adjust to the needs of the community. Innovation and relevance are the keys to success.

- **Be focused.** One should not confuse flexibility with focus. As the project director stated, “without focus, this project would have failed.”
- **Do not own, manage, or operate anything.** The project staff believed that these operations are jobs for service agencies chartered for such activities. Staff found that brokering resources to develop ideas and work interactively with organizations to implement those ideas was the best approach.
- **Be innovative in applications development.** The next level of telecommunications infrastructure development is the creation of successful applications. However, if something is being developed elsewhere, it is best not to duplicate that effort.
- **Know what your capabilities are.** Keep up with what is happening or technology will leave you behind.
- **Register URLs like a trademark.** KCADC owns trademarks and URLs and uses these as unique leveraging tools to market their economic development programs.

FUTURE PLANS

Future plans for the KCADC include:

- Bringing more new businesses to the area,
- Working to get more businesses to located in the inner city, and
- Finding solutions to the transportation and childcare problems that hamper higher participation in Welfare to Work programs.

In short, KCADC is continuing its economic development mission by riding the momentum that was enabled by the TIIAP grant and its other projects.